GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA

UNSTARRED QUESTION NO:4447
ANSWERED ON:29.03.2017
Verification of Customers
Khadse Smt. Raksha Nikhil

Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether the Government has taken note of the alleged non-compliance, violation of customer acquisition form and verification norms laid down by Telecom Enforcement Resource and Monitoring Cells by telecom operators during the recent verification process;

(b) if so, the details thereof;

(c) whether the Government proposes to take any stringent action and impose high penalties against such erring telecom operators and if so, the details thereof;

(d) whether the Government proposes to put in place an effective mechanism to verify identities of existing mobile users by the Government and if so, the details thereof; and

(e) the time by which the said verification of existing mobile users is likely to be completed?

Answer

THE MINISTER OF STATE (IC) OF THE MINISTRY OF COMMUNICATIONS &
MINISTER OF STATE IN THE MINISTRY OF RAILWAYS
(SHRI MANOJ SINHA)

(a) & (b) Madam, as per the instructions issued by Department of Telecom (DoT), all the Telecom Service Providers (TSPs) are mandated to verify all the customers as per prescribed Know Your Customer (KYC) norms before enrolling them. The subscriber verification process has evolved with passage of time and consequently DoT has issued various guidelines to TSPs to strengthen the verification process. The existing instructions on subscriber verification dated 09.08.2012 have been issued by DoT in consultation with Ministry of Home Affairs (MHA). In order to ensure adherence to these instructions by all the TSPs in carrying out the verification as per prescribed KYC norms, the Telecom Enforcement, Resource & Monitoring (TERM) Cells carry out sample verification of Customer Acquisition Form (CAF) of 0.1 % of all the customers available in the system at the end of each month. The sample size in respect of J&K, NE and Assam Service Areas is 0.2% on quarterly basis. This verification process by TERM Cells brings out non-compliant cases where DoT guidelines were violated by TSPs in acquiring the customer which includes following cases:-
i. Missing CAF.
ii. Pre-activated Mobile Connections
iii. Missing Photo/Proof of Identity/Proof of address along with CAF.

iv. Connection activation based on apparently forged/fake documents.
v. Bulk Connections (more than 9 connections) issued to an individual by all Licenced Service Providers in a Licenced Service Area (LSA).
vi. Bulk Connections issued to a company or an organization or at any given address by all Licensed Service Providers in a Licence Service Area (LSA) without following due procedure.
vii. Discrepancies in entries in customer database.
During last year 2016 and current year i.e. 2017 (upto 28.02.2017), out of total of 1.71 crores CAFs audited, a total of 8.76 lakhs CAFs were found non-compliant to prescribed CAF verification norms by TERM Cells.
(c) As per existing guidelines, in case a CAF is found non-compliant, stringent penalty is imposed for each failed CAF which ranges from Rs. 1,000/- to as high as Rs. 50,000/- per CAF based on the CAF failure rate. There is also provision of filing of complaints/FIR against apparently forged cases. In addition, in case of non-compliant CAF, Service Provider has to either disconnect the connection or to submit the compliant CAF to TERM Cells within 72 hrs failing which further financial penalty is prescribed.
(d) & (e) Recently, Hon'ble Supreme Court, while disposing off the Writ Petition No. 607/2016 filed by Lokniti Foundation V/s Union of India, vide its order dated 06.02.2017 has directed for re-verification of all existing mobile subscribers through Aadhaar based e-KYC process preferably within a period of one year. Action has been initiated as per the orders of Hon'ble Supreme Court.

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